STATE LIFE INSURANCE—Public branch.

41. *The State Life Insurance.*—Public branch which was introduced with effect from 1st Meenam 1109 for the purpose of affording greater facilities to the subjects of the State in the matter of future provision for families, has already shown results much beyond our expectation. During a short period of 2 years and 3 months, 2891 proposals for about Rs 28 lakhs have been received and policies in respect of 1986 proposals assuring a sum of about Rs 19 lakhs have been issued. The receipts shown in the revised estimates for the year 1111 are expected to be about Rs ·90 of a lakh and the expenses are likely to stand at Rs ·17 of a lakh. The expense ratio for the second year of the scheme is 19 per cent as against 31 per cent in the first year. In 1112 the total receipts and expenditure are expected to be Rs 1·40 lakhs and Rs ·18 of a lakh respectively and expense ratio, a little over 12 per cent.

STATE PROVIDENT FUND SCHEME.

42. The State Provident Fund Scheme which was started in 1107 with a view to enable Government servants to make some provision for themselves in their old age, or for their families in case of their premature demise, continued to work very satisfactorily during the year. The number of subscribers has risen to 8246 during 1111. The fund is expected to have a closing balance of Rs 4·83 lakhs at the end of 1111 and Rs 6·48 lakhs at the end of the next year.

SAVINGS BANK.

43. The public are continuing to take advantage of this institution for the investment of their savings. The balance at the credit of the fund has risen to Rs 187·89 lakhs at the end of 1111 and is expected to reach Rs 212·89 lakhs at the end of 1112.

GENERAL REVENUE POSITION.

44. During the years 1109 and 1110, the accounts showed a deficit of Rs 5·77 and Rs 4·45 lakhs, respectively. The revised estimate of 1111 is likely to result in a deficit of Rs 5·06 lakhs. For the first time after three years, a small surplus of Rs 3·54 lakhs is anticipated for the next year. The Electrical undertakings which form the major part of our remunerative assets may not, on the whole, be expected for some years to pay us more than the prescribed return of 5 per cent Expenditure chargeable to revenue is, on the other hand, likely to increase inevitably under certain heads such as pension charges, interest charges and the Sinking Fund for loans, and Army. Taking all the factors into account, the need for curtailing the expenditure charged to revenue is imperative. As we have exhausted our Government balances *vide* para 45 below, it is absolutely essential that we should build up a reserve fund to meet capital expenditure or, unforeseen loss of revenue, or expenditure, and aim at setting apart annually about Rs 5 lakhs at least for the purpose.

Certain departments may be classified as more or less static with fixed standing charges, while other departments such as Public Works

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